

■ canadian trustee

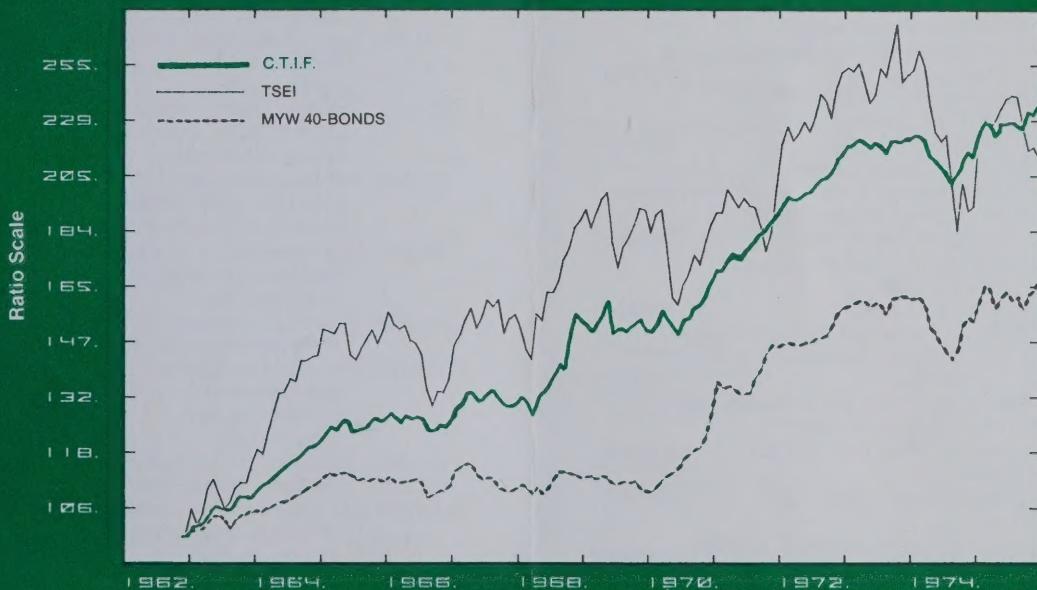
income

fund

This chart shows the performance of C.T.I.F. over the 14 years since inception. During this time there have been recessions and booms, good stock markets and bad, periods of low interest rates and high interest rates.

With good prospects for greater economic stability in the year ahead, C.T.I.F. should benefit from anticipated rising bond prices.

Return Index vs. Return on Various Investment Vehicles November 1962 = 100



Sources

C.T.I.F.

The return index represents the accumulated value of a single lump sum investment made at the beginning of the period with distributions reinvested.

TSEI

Toronto Stock Exchange Industrial Index. In this case the dividends have been reinvested in order to make it comparable to the return index.

MYW 40 Bonds

McLeod, Young, Weir Bond Index. This index is constructed of a package of 40 representative bonds typical of current market activity. This index represents the value index plus the reinvested monthly income.

Canadian Trusteed Income Fund Detailed Summary of Net Assets as at December 31, 1975

Par Value	Market	Par Value	Market
Government or Government Guaranteed Bonds (21.6%)		\$ 250,000	Maritime Electric Company Ltd. 8 1/4% First Mortgage S.F. Bonds June 15, 1993
\$ 6,500,000 Government of Canada 10% October 1, 1995	\$ 6,548,750	400,000	Maritime Telegraph & Telephone Co. Ltd. 10% Series U November 1, 1995
1,000,000 Province of Ontario 10 1/4% December 10, 1987/2000	1,005,000	100,000	Mussens Limited, 6 1/4% S.F. Debs., Series C, July 2, 1984
	\$ 7,553,750	700,000	72,000
Corporate Bonds (64.6%)		700,000	Niagara Finance 11 1/2% October 15, 1979-94
\$ 125,000 The Alberta Gas Trunk Line Co. Ltd. 9 1/4% S.F. Debs., Series 2, June 15, 1990	\$ 112,500	1,325,000	700,000
525,000 Associates Acceptance Company Limited, 8-7/8% Series 1, December 1, 1992	414,750	250,000	The Ontario Jockey Club Sec. Debs., 10% January 1, 1992
1,275,000 Bell Canada Series B.J. 1st Mortgage Bonds 9-7/8%, April 1, 1999	1,185,750	250,000	1,126,250
500,000 Block Bros. Industries Ltd., 9 1/4% Secured Notes, Series H., November 30, 1983	475,000	1,000,000	Place Quebec Inc. 8 3/4% 1st Mtge. Bonds, Series A, July 4, 1985
1,000,000 Canadian Tire Corporation Ltd. S.F. Debs. Series C. 10 1/4% Aug. 15, 1995	987,500	700,000	210,000
1,200,000 Canadian Utilities Limited 11 1/2% October 1, 1994	1,200,000	700,000	Spruce Falls Power & Paper Co. Ltd. 9 1/4% Debs. Series A March 1, 1994
1,200,000 Commercial Union Assurance 11 1/4% January 15, 1995	1,188,000	265,000	840,000
200,000 The T. Eaton Acceptance Co. Ltd. 8 3/4% S.F. Debs., October 15, 1992	158,000	200,000	Steinberg Realty Limited First Mtge. S.F. Bonds B 8-7/8% July 3, 1993
200,000 First City Financial Corporation Ltd. 9% S.F. Debs., Series A, July 15, 1992	146,000	265,000	560,000
1,000,000 Ford Motor Credit Co. of Canada Ltd. 10 1/4%, August 15, 1995 Retr. to 10 1/4%, Feb. 15, 1981	1,010,000	200,000	Steinberg's Limited 10 1/4% S.F. Debs. Series D December 15, 1984-94
600,000 Genstar Ltd. 10.25% June 1, 1980	600,000	2,500,000	261,025
300,000 Husky Oil Ltd. 8 1/2% S.F. Debs., Series C, Ex. Wts. August 15, 1991	240,000	125,000	St. Lawrence Cement Co., 6% Debs., Series A October 1, 1979
358,000 IAC Limited 9 1/2% October 15, 1992	336,520	125,000	164,000
500,000 Imperial Oil Limited S.F. Deb. 10 5/8% August 15, 1994	498,750	500,000	Texaco Canada Ltd. 10 1/4% December 31, 1994
900,000 Laurentide Financial Corp. Ltd. 8 1/2% S.F. Debs., Series 8, April 15, 1993	756,000	125,000	2,500,000
700,000 Laurentide Financial Corp. Ltd. 9-5/8% Collateral Trust, Series L February 1, 1994	567,000	500,000	Traders Group Limited, 6 3/4% Collateral Trust Notes Ex. Wts., Series AF, June 15, 1981
		450,000	98,750
		500,000	:8 1/4% Debs., October 15, 1992/82
		450,000	425,000
		2,025,000	:8 1/4% Debs., May 1, 1993
		2,025,000	333,000
		400,000	Trans Canada Pipe Lines Limited 11 1/2% S.F. Debs. Series F January 20, 1995
		400,000	2,045,250
		1,000,000	Trizec Corporation Limited 8 3/4%-10 1/4% March 15, 1992
		1,000,000	340,000
		1,525,000	Union Acceptance Corporation Limited 9 1/4% Series N, April 15, 1990/80.
		1,525,000	930,000
		1,525,000	Union Gas Ltd. S.F. Debs. 11% August 15, 1994
			1,509,750
			\$ 22,566,795

*Unaudited

Par Value	Market
Convertible Corporate Bonds (.2%)	
\$ 100,000	Bramalea Consolidated Developments Ltd.
	7 1/2% Conv. Debs. Series A,
	October 1, 1988
	\$ 71,000
	<u>\$ 71,000</u>

Common and Preferred Stocks (5.5%)

Shares or Units	
40,000	BM-RT Realty Investments
	Trust Units
	\$ 530,000
50,000	Canadian Int'l Power Co. Ltd.
	737,500
52,120	Heitman Canadian Realty
	Investors, Units
	325,750
15,000	International Mogul Mines Ltd.
	6% Pfd. Series A
	127,500
2,900	New Brunswick Telephone Co. Ltd.
	\$1.37 Cum. Pfd.
	41,325
16,000	Trans Mountain Pipe Line Company
	148,000
	<u>\$ 1,910,075</u>

Summary of Net Assets

Total Portfolio (91.9%)	\$ 32,101,620
Cash & Other Current Assets (8.1%)	<u>2,838,171</u>
Total Net Assets *	<u>\$ 34,939,791</u>
Net Asset Value Per Share	<u>\$ 4.34</u>

* Unaudited

Canadian Trusteed Income Fund Statement of Income and Expenses*

For the Six Months Ended December 31, 1975-74

INCOME	1975	1974
Dividends	\$ 164,036	\$ 153,014
Interest	<u>1,689,977</u>	<u>1,567,602</u>
	<u>\$ 1,854,013</u>	<u>\$ 1,720,616</u>
EXPENSES		
Management Fee	\$ 131,573	\$ 127,668
Audit Fees	3,000	7,400
Custodian Fees and Bank		
Charges	1,326	1,787
Exchange	—	21,100
	<u>\$ 135,899</u>	<u>\$ 157,955</u>
NET INCOME		
Net Income per Share	<u>21.34 Cents</u>	<u>20.43 Cents</u>

Statement of Changes in Net Assets*

For the Six Months ended December 31, 1975-74

NET ASSETS - June 30th .	\$36,332,450	\$34,341,924
Add:		
Unrealized Appreciation		
on Investments	390,369	271,005
Proceeds from sale of		
Mutual Fund Shares .	5,517,264	8,058,367
Net Income	1,718,114	1,562,661
	<u>\$43,958,197</u>	<u>\$44,233,957</u>
Less:		
Cost of Mutual Fund		
Shares Redeemed ...	\$ 6,425,261	\$ 8,604,087
Distributions Paid.....	1,664,809	1,543,178
Realized Loss on		
Investments	928,336	1,029,406
	<u>\$ 9,018,406</u>	<u>\$11,176,671</u>
NET ASSETS		
December 31st	<u>\$34,939,791</u>	<u>\$33,057,286</u>

Statement of Changes in Securities Held at Cost*

For the Six Months ended December 31, 1975

Securities held July 1, 1975	\$37,307,605
Purchases	9,818,000
Realized Gain (Loss) on Sales	
of Investments	(928,336)
	<u>\$46,197,269</u>
Sales	<u>\$12,066,837</u>
Securities Held December 31, 1975	<u>\$34,130,432</u>

*Unaudited

AR05

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Registrar and Transfer Agent

A.G.F. MANAGEMENT LIMITED, Toronto

Distributor and Manager

A.G.F. MANAGEMENT LIMITED, Toronto

**Interim
Report
Dec. 31, 1975**